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In debt to the rent gap: gentrification generalized and the frontier of the future

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Abstract:

In this paper I advance three interconnected arguments that explore the relation between gentrification generalized and the generalization of indebtedness. First, I show how the availability of credit liberates potential land values from social constraints. Second, I suggest that debt functions as a form of class discipline, imbuing the proliferation of gentrification with a coercive impetus. Third, I argue that the generalization of indebtedness should reframe the way that class is theorized in contemporary debates on gentrification. I conclude by returning to the rent gap model, arguing that it remains a vital tool for understanding gentrification, but only if its sense of time is blown wide open. Through these four strands, I argue that debt should change the way we think of gentrification, both as a concept to be explained and a process to be resisted.

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> What is expropriated by credit/debt is not only wealth, knowledge, and the 'future,' but more fundamentally the possible.
>
> (Maurizio Lazzarato, 2015, p. 23)

Choose life, choose debt

In late 2014, a large billboard appeared on the northern side of Niddrie Mains Road in Edinburgh, an artery for traffic that cuts through one of the historically most deprived neighborhoods on the south-west side of the city. Black silhouettes appeared to have waltzed their way out of an iPod commercial, frozen in the embellished poses of an idealized everyday life—cycling, jogging, walking the dog—and contrasted against a neon rainbow in whose center shone a single word: CHOICE. In situ, it stood zealously like a signpost to the good life, framed against grassy fields once home to the city's oldest municipal housing estate and now awaiting redevelopment.

CHOICE was symptomatic of how duplicitous the word *affordable* has become in contemporary housing policy across the UK.[i] Alongside a number of units available at "Mid-Market Rent" (a misleading name, for these rents are pegged at 80% of market rent), prospective residents were offered the option of "buying" a property using a range of shared equity schemes (some backed up by the Scottish Government, others by the developer themselves). The third party takes on a portion of the total debt, enabling prospective buyers to reach beyond the maximum price-point enabled by their own mortgage-capacity by as much as 40%. Whilst the lending mechanics are different, the overall function is much like the UK-wide Help to Buy policy, which serves to indirectly subsidize (through state-backed debt) the sales of volume house builders, whilst enabling housing costs to rise.[ii] Such schemes are symptomatic of how the older ideal of *making housing more affordable* has given way to what is in effect its opposite: *making residents able to afford housing*, in most instances through debt. The two strategies are at odds with each other, for even though the latter is presented as the historical continuation of the former, it creates multiple new opportunities to extract profit from the cost of living. In this way, housing policies that are dressed in the veil of egalitarianism are essentially parasitic at the same time, creating a stream of rent-based profit extraction through debt.

Shortly after the first phase was finished, the developer was able to offer "ownership" in exchange for a deposit of just 5%, promising that "buyers could be moving in for an initial outlay of just £4,080" (Cruden Homes, 2014). In a neighborhood once entirely made up of public housing, the name and marketing for this development played off a series of clichés around consumer sovereignty, undermined by the fact that (of course) the one *choice* missing was for a council home. These debts were offered up as gifts, keys to ontological security forged from financial liquidity. In a city where almost 25,000 people languish on the waiting list for a genuinely affordable home (Shelter, 2016), these gifts were well received.

At first blush, a development like CHOICE does not fit into the notion of gentrification at all. It was a popular scheme, and the homes sold out quickly. There is no doubt that it enabled some people to move into the area who would otherwise have been financially excluded. It brings "homeownership" into reach for people who would be unable to afford a mortgage without additional support. By certain measures, it is therefore a success. To suggest it forms part of a "gentrification" strategy would seem to blur the concept into complete meaninglessness. But, I want to suggest, it also shows us how prescient Smith's (2002) argument around the generalization of gentrification has become, for here even the "affordable" housing relied on rising land values, higher house prices, and the closure of a rent gap. In replacing council tenants with a new cohort of aspiring "homeowners", it completes a drawn-out process of displacement by explicitly marketing an aspirational vision of *becoming* middle class. There are similarities here with Paton's (2018, p. 5) work in Glasgow, on the ways in which working class residents are invited to participate in gentrification, "frequently borne out of the restriction of choice (meanwhile maintaining the seeming illusion of greater choice)." What is clear, however, is that the role of "gentrifier" in this situation is not defined by the fact that these individuals are richer than those they indirectly displaced (even though, broadly speaking, this appears to be true). For it is not their *wealth* that makes this development profitable (and therefore possible), but their *debt.*

Smith's (2002) work on gentrification generalized never mentioned debt, but it should have done. He hinted at this when he noted that the "generalization of gentrification is in part its *democratization*" (Smith, 2006, p. 199, emphasis added), but he neglected to mention that if that "democratization" occurs through increased debt, it is therefore profoundly undemocratic. Across the OECD (2018), the last decade has been overshadowed by unprecedented wage stagnation. Macroeconomic trends demonstrate the exact *opposite* of a democratization of wealth (Piketty, 2014). This same period has seen the supposedly endless proliferation of "middle class" landscapes, lifestyles, and gentrification-like processes in a huge range of contexts where the rent gap is being mercilessly opened and closed again and again. How is this disjunction possible, in social and political terms as well as economically? The answer, of course, is through the availability of credit. The possibility of gentrification becoming truly *generalized* (Smith, 2002) relies on the generalization of indebtedness. The supply of potential "gentrifiers"—those who occupy housing substantially more expensive than their predecessors, whether they want to or not—becomes as limitless as the supply of potential debtors.

To a certain degree, this much is already well documented: the growing pool of literature on financialization has become a staple in accounts of contemporary gentrification (Marcuse & Madden, 2016). It is widely acknowledged that changes to the way that mortgages are packaged, traded and regulated has instituted a kind of turbo-charged (or "super") gentrification across the Global North, pushing the process further and faster, leveraged by the newfound profitability of debt (Lees, Slater, & Wyly, 2008). The growing field of literature on financialization is adept at explaining this shift in macro-economic terms (Ryan-Collins, Lloyd, & Macfarlane, 2017), whilst the older strain of Marxist geographies on the spatio-temporal fix is adept at explaining *why* there might be a generalized shift of capital into the future and into space (Harvey, 1982). Both approaches are essential, but I believe that they miss something fundamental about the ways in which housing debt becomes politically effective. For debt is never purely an economic relation. It is also always a power relation, manifest in ways at once social, cultural, and psychological (Di Muzio & Robbins, 2016; Dienst, 2011; Graeber, 2012; Joseph, 2014; Lazzarato, 2012).

In this paper, I offer a theoretical reflection on the ways in which debt should change the way we think of gentrification, both as a concept to be explained and a process to be resisted. I advance three interconnected arguments. First, that the availability of credit "liberates" potential land values from social constraints; second, that this institutes the "property mind" as a coercive common sense; third, that this exacerbates class divisions whilst obscuring them. I frame this by returning to the importance of the rent gap model as a way of seeing the connection between debt and gentrification that highlights the wider processes of speculation and accumulation underpinning that relationship, but also the social, cultural, and political power that is *always* necessary to uphold those relations.

The rent gap has had its fair share of criticism lately. It is, we are told, too reductive, and "necessarily leaves aside institutional, social, cultural and political factors" (Bernt, 2016, p. 641). Such accusations are, as I hope to show, absurd (for when has profit ever been made outside of an institutional, social, cultural, and political context?), and a discussion of debt makes this especially clear. Attending to the debt question reasserts the vitality of the rent gap, for it recalls what is at stake in the mutually reinforcing spiral of rising land values and rising debt: not only the future of "gentrification" as a concept, nor "just" the totality of urban space, but every minute of indebted labor for decades and decades to come. This concerns the seeds of the next financial crisis and all the misery it will cause, whilst instituting a trajectory towards perpetual economic growth with truly terrifying ecological implications. All the while, individual dreams of autonomy, security, comfort, and pride are allowed to blossom (for some, for a while). You may call that hyperbole: I hope you are right.

Those caricatures of reductionism that paint the rent gap as a blunt economic vision may contain some unwitting truth however, only relating to the *phenomenon that the rent gap seeks to describe,* and not the model itself. The mechanisms that fuel the ever-rising "potential" value of land and enable (some) people to still live on that land whilst their wages stagnate *are* abstract and *do* subsume everyday life, space and labor under the matrix of capital accumulation. As Joseph (2014) argues, understanding the role of debt and finance in contemporary capitalism requires an engagement with abstractions, and therefore thinking in the abstract. If the value of debt is an abstraction, it is however an abstraction built upon dreams and policy, forged through a coercive common sense, and realized through labor-time. In other words, the rent gap model is not "economistic", in the sense that that is all it is, and yet it *has to be* "economistic" to a certain extent, for the phenomenon it seeks to describe is. Moreover, losing sight of this—bickering over the economistic tendency of the *model* and not the reality it describes—loses sight of the fundamental purpose of the model, which is to inspire us to *change* the reality it describes.

Liberating potential

The relationship between average house prices (measured in ratio to income) and the amount of mortgage debt outstanding in the UK is umbilical (Ryan-Collins, Lloyd & Macfarlane, 2017). The two have risen in tandem, reliant on each other. It is worth repeating the figures on rising indebtedness, for they remain striking. In 1994, total household debt levels stood at around £420 billion, of which just over 95% was tied into property. By 2001, that total came to around £730 billion, of which around 85% was tied into property. "From that point", to quote Horsley (2015, p. 31), "rather than describe the figures, it is easier to just add another £100 billion every year until 2007", at which point the collective debt of the British people overshadowed the entire annual output of the British economy for the first time. When the financial crisis hit later that year, the average income-to-debt ratio across the UK was about 160% (Bunn & Rostom, 2014, p. 305), a trend mirrored (and, indeed, magnified) across Europe and much of the Global North (Garciá-Lamarca & Kaika, 2016; Walks, 2013). These figures declined slightly in the years immediately after the last financial crash, but then began to rise once more (Bank of England, 2016). The Office for Budget Responsibility expects household debt-to-income levels across the UK to continue the slow climb back to pre-2007 levels, reaching 153% by 2022, of which almost 80% will be mortgage debt (Harari, 2018).

In the years running up to the last financial crisis, new techniques of financialization had fundamentally (and very profitably) broken the relation between wages and house prices (Rolnik, 2019). As Fitzpatrick and McQuinn (2007, p. 100) point out from Ireland, this was possible because there was a "mutually reinforcing long-run relationship" between debt levels and house prices, or, as Christophers (2019, p. 9) puts it regarding the UK, a "mutually reinforcing cycle." In short, the growth in house prices over recent decades has been underwritten by a growing tide of household debt. Individuals caught in this cycle may take on debt to afford more expensive housing, but this works just as well the other way around, where houses are more expensive because individuals take on more debt. To hold this "swivel" in view is politically important: considered as a technique of power, the debt relation changes our definition of the possible. If it were not for debt, houses would *have to be* cheaper. An alternative vision is found in the final pages of Clifford Simak's (1952) novel *City*, where the entire world is covered in houses that nobody lives in.[iii]

The proliferation of gentrification in the cities of the Global North has "evolved within a broader affordability crisis of debt-leveraged financialization" (Wyly, Newman, Schafran, & Lee, 2010, p. 2602). The two processes are closely linked and increasingly reliant on each other. Without the availability of credit, gentrification would have remained a "narrow and quixotic oddity in the housing market" (Smith, 1996, p. 39); without the spiraling frenzy of housing costs, we would never have borrowed so much. Bearing in mind that around 81% of house price increases since 1950 can be explained by rising land prices (Knoll, Schularick, & Steger, 2017), attending to this relationship shows how fundamentally the rent gap—in a UK context at least—is opened *and* closed by the availability and newfound profitability of debt. In this way, those who own or invest in land can conceive and continuously reconceive of its "highest and best use" unhindered by the stagnating incomes of those who are expected to populate and use that space. As both an exchange-value and an imagined ideal, *potential* is liberated.

Realizing that potential is still fraught with difficulty. The promised "liberation" is therefore always incomplete and always uneven. The trajectory of the housing debt/price cycle looks at first glance to only go "up"—higher prices, more debt, *ad infinitum*—but this does not mean (and cannot possibly mean) that capital has finally found a friction-free plane of accumulation. The challenge is not to imagine a world (or a city) in which debt-fueled gentrification really can occur *everywhere*—becoming, at last, the "rising tide that lifts all boats" (Duany, cited in Slater, 2006, p. 741), floating on a sea of credit—but rather to excavate the ways in which debt hits up against its own crisis-prone limits, hardening lines of inequality as it does. In the UK, for example, it is clear that mortgage credit is unevenly allocated (Rae, 2015); that it becomes more exclusionary the further house prices rise (Ryan-Collins et al., 2017); that it remains beyond the means of those on low pay and precarious contracts (Dorling, 2014); that the growth of buy-to-let mortgages and the growth of the private rented sector are closely related (Paccoud, 2017); and, in this way, that the growth of debt-financed homeownership fuels its own counter-tendency, "trapping" a generation in rent (Walker & Jeraj, 2016). And as the 2008 financial crisis illustrated with stark clarity, no debt bubble can last forever (Harvey, 2011). In short, debt "liberates" potential land values, but it cannot do so smoothly or equitably. As Walks (2013) notes, the "urban debtscape" is sharply characterized by uneven development, and could only ever be thus. I will now argue that it also imbues relations between *people* with an unevenness that imbeds the "property mind" as a coercive common sense.

Debt as discipline

In the years following the financial crisis, there was a notable increase in scholarly attention paid to questions of debt, and mortgage debt in particular. From the disciplinary politics of repossession

(Langley, 2009) to the spatial distribution of subprime loans in the US (Aalbers, 2012); from collective resistance in Spain (Garciá-Lamarca & Kaika, 2016) to the mapping of debt liabilities in Canada (Walks, 2013), this work made it clear that questions of housing and spatial justice must attend to the shifting power relations of debt. Understandably, much of this work focused on those loans at the cutting edge of inflating the bubble that burst, namely those of a "subprime" nature, often targeted in a predatory fashion at people least able to pay them back, overlaying (and reinforcing) inequalities of race, class, and gender. In what follows, I am by no means seeking to deflect attention away from those processes (which are vital to study and vital to stop), but the functionality of debt to gentrification—especially in a city like Edinburgh—appears to be in many ways less spectacular. I am not so much concerned by those moments in which the mortgage relation *fails*, but the enduring effect of the belief that it usually, "normally", *works* (though within capitalism, of course, the relation between normally working and occasionally failing is symbiotic).

Here Foucault and Marx walk arm in arm: the debt/gentrification intersection is particularly interesting when viewed through the lens of *governmentality* as well as capital accumulation (for it is always both). By governmentality, I do not mean a sense of the world in which all power relations are devolved down and out to nowhere, but in the vein of those who argue that "it is often the case that when we think we are most free is when we are most governed" (Joyce, 2013, p. 6). Mortgage debt is a particularly striking example of this. As Garcia-Lamarca and Kaika (2016) point out, it is implausible to explain the growth in housing debts purely as a macroeconomic shift, one in which individuals respond automatically to the deregulation of finance capital. But it is equally implausible to presume that this shift represents countless coincidentally aligning decisions to take on more debt. What is needed is a conceptual framework that marries the two, not to triumphantly declare "messiness", but to focus on the extent to which individual aspirations, state policy and the logic of capital(ists) work together to push speculation on housing. In this instance—as Bidet (2016) has argued—the capitalist present is best understood by holding Marx and Foucault in tension together.

Debt is structurally fundamental to capitalism and to economic growth. As Di Muzio and Robbins (2016) note, citizens have far more of an obligation to take on debt than they do to pay it back. But, crucially, this comes wrapped in deeply personal discourses—*your* debt, *your* responsibility, *your* guilt. This implicates the individual even whilst their actions are funneled into a trajectory cajoled on all sides by policy, by pressure, by expectation, and by a shrinking range of alternative options. This is a potent form of individualization in action, recalling the late Zygmunt Bauman's beautifully worded diagnosis of the "the vexing, demeaning and infuriating feeling of having been sentenced to *loneliness* in the face of *shared* dangers" (Bauman & Bordoni, 2014, p. 14). Atkinson and Blandy (2017, p. 9) use the phrase "tessellated neoliberalism" to discuss the ways in which the "wider order and values of exchange and economic life expand outwards from the micro-scale of a multitude of owned homes and into the fabric of the macro-economy." I find this an intriguing phrase, and a useful one insofar as it refocuses attention on the *effect* of tenure as a way in which everyday life is connected to the wider functioning of capitalism (though the notion of expanding *outwards* needs reversing simultaneously). It links closely with Haila's (2017) discussion around the institutionalization of the "property mind", a phrase she uses to describe the percolation of property ownership and speculation through mainstream culture as a taken-for-granted common sense. Her observations are drawn from Singapore, but they chime well with an older strain of literature from the UK on what Kemeny (1981) called *The Myth of Homeownership.* But if the vast majority of that "ownership" is underpinned by debt, then the institutionalization of the property mind, a normalized and naturalized way of relating to ownership, brings with it the normalization and naturalization of immense debt.

Across the UK, housing debt that goes far beyond personal earnings is routinely and consistently normalized, advertised and encouraged. This normality has been pushed by government policy for several decades, heightened in the early 1980s by the simultaneous assault on public housing via the Right to Buy and the re-regulation of the banking sector to encourage speculation on housing loans (Forrest & Hirayama, 2015; Richard, 2008). In this context, the mortgage remains a uniquely *respectable* form of debt, trading on a series of moralizing discourses around aspiration, health and responsible citizenship, whereby it is considered better to be heavily in debt to a bank than it is to be renting (Flint, 2003; Gurney, 1999; Hunter & Nixon, 1999).

One effect of this tension (between the myth of individualism and the shepherding of individuals) is that people with mortgage debt are politically and economically incorporated into a system where they *want* house prices to keep rising because their personal financial situation gets far worse if they do not. This is never purely a financial pressure, for it is linked closely to questions of psychological wellbeing, mental health, family security and emotional stability, all exacerbated by the degree to which many rely on the rising value of their property in the face of evaporating social security and welfare provision (Kaika, 2017; Lowe, Searle, & Smith, 2011). As the vestiges of the welfare state are dismantled, privatized, and siphoned off into last resorts, this reliance will only grow. In a world where *belief* and *faith* play such a fundamental role in keeping prices high and growing higher, this alignment should not be overlooked. The debt-funded private home comes clad in the sheen of opportunity, even whilst it amounts to a contract for the exploitation of decades of labor-time to come. And this contract works, at least in part, because we *want it to.* "What was the expansion of household debt, including consumer debt and subprime mortgages", asks Dienst (2011, p. 175), if not "an attempt by a vast swathe of people to lay claim to their financial heaven on earth?"

Lefebvre's (1976) suggestion that capitalism survives by *producing space* has become a central idea of Marxist geography, and it is important to remember that he never meant this purely in a material sense. The profit rate may be resuscitated through the construction industry, speculation on land and property, the "switch" of capital into real estate, and so on. But capitalism cannot survive on capital alone (it never has done). It requires the production of ideological space, of subservience, hope, investment (in the political sense of having something to lose), internalization of the profit motive as the road to individual dreams, and, of course, the eradication of alternatives that can be glimpsed working. It is for this reason that Lefebvre undertook a critique of everyday life as *part of* a critique of capitalism, and his insistence on doing both was important, and is even more important now.

The availability of credit within the housing sector thus has two particular effects on the process of gentrification. Critical urbanists are very good at identifying the first, where credit functions as a lubricant to the circulation of capital, as well as the stage on which the next round of crisis is rehearsed (Harvey, 2006). What we now call *financialization*, and the debt that underpins it, has enabled the process of gentrification to go further and faster, both socially and spatially. But the coercive impetus written into that debt when it does *not* "fail" is just as important, for the fate of those who are indebted is tied to the trajectory that indebted them. The desire to want property prices to continue to rise—or at last to fear them falling—institutes gentrification as a common sense far beyond policy-makers, mirroring the "dull compulsion" of economic relations that stamps itself so thoroughly on urban policy (Peck, 2014). The so-called law of supply and demand (and the idea of equilibrium it instils) is rendered utterly irrelevant, for the speculative logic invested in housing works to push up prices whilst also pushing up demand (Marazzi, 2011). A new formula is forged, one that disintegrates communities through the promise of individual opportunity: *supply* the credit, and those who scramble onto the "ladder" will *demand* higher prices.

We are all middle class now

Gentrification, as Smith (2008; with Williams, 1986) consistently argued, is fundamentally a class phenomenon. Yet there is still a "theoretical ambivalence" (Bridge, 1995, p. 239) in the way that the gentrification literature uses and defines class. The class debate about London which played out in the journal *City* demonstrates this quite neatly. Slater (2009) begins by reasserting the importance of working class displacement to the process of gentrification. His target is Hamnett's "professionalization" thesis, which emphasizes the changing class structure of the city not only through displacement but also *replacement*, typified by the decline of manual labor and the rise of what are broadly accepted as middle class occupations. Hamnett (2009) duly responds, bolstering his case with census data that seeks to quantify class changes at the societal level. The debate ricochets back and forth for several years, containing many fascinating points that I will not attempt to summarize here (Davidson & Wyly, 2012, 2013, 2015; Hamnett, 2015; Hamnett & Butler, 2013). Clearly, this was a debate not only about empirical methods of measuring class change, but the politics of how to theorize class: as relation or category? Identity or antagonism? And whilst this discussion was never solely about "gentrification", it was a debate carried out under the shadow of the term, and what it implies vis-à-vis displacement and the class takeover of space.

What particularly interests me here is the invisibility of debt on both sides of this argument. Pages and pages of discussion about changing employment patterns, lifestyle choices and rates of inequality are pitted against each other to discern whether or not the class transformation of urban space in London has been enacted through displacement of the working class *or* their uneven transformation into the new middle class. Most of this is written as if the miraculous trend of "professionalization" either never existed at all or was underwritten by a genuine democratization of wealth. To me, the answer lies somewhere in between, not in the sense of a meek compromise, but through the way that debt ties the two narratives together. How many of those who make up the so-called "new middle classes" are reliant on credit? Certainly not all of them, but as Horsley (2015) clearly demonstrates, probably most of them. This is not a phenomenon unique to London. Across the world (though with significant variation, of course), the lifestyles of the so-called new middle class "is unstable and chained to enormous amounts of debt" (Lees, Shin and López-Morales, 2016: 87).

In 1997, John Prescott (then Deputy Leader of the Labour Party) famously intoned that "we're all middle class now". This was an aspiration to be powered by the availability of credit, branding for a "third way" that promised unhindered profits and unhindered social mobility at the same time. The roll-out of British neoliberalism functioned as "an economic system geared toward the singular purpose of lending as much money as humanly and mathematically possible" (Horsley, 2015, p. 4), with the "democratization" of consumerism and homeownership as two of its main drivers. This trend was always inherently classed, even whilst it promised to flatten class distinctions. As Pathak (2014, p. 102) notes, "debt and indebtedness in general has now become naturalized" but some forms of debt are still heavily stigmatized. Those whose debts are not backed up by property are treated as deviant, irresponsible citizens, despite the fact that their levels of borrowing are low, both absolutely and proportionately.[iv] Those whose debts enable them to "buy" property increasingly augment their incomes, often by as much as a quarter, through *in situ* borrowing off the value of their property, funding lifestyles that cement their class distinction (Ong, Parkinson, Searle, Smith, & Wood, 2013). If access to housing credit is classed in the first instance, this distinction calcifies over time. As indebted citizens, aspiring homeowners become part of a mechanism that entrenches inequality, for the growth in ownership levels amongst those with access to credit heightens the reliance on private sector renting for those whose incomes are not high or stable enough to guarantee them a mortgage (Ryan-Collins et al., 2017). Moreover, the question of intergenerational inequality—which can be politically framed as inheriting a class position—is closely related to property ownership and the life-changing value that houses can accrue (Christophers, 2018). In the first instance, then, it should be clear that debt augments the division of classes both as an identity and an economic position. I want to argue that it does more than this, however.

Class, of course, is understood in many ways (as the debate around categorization in London demonstrates). Kelly (2012) offers a useful summation: class functions (i) as a *position* in society, where an individual is placed within a hierarchy of wealth, labor, and ownership; (ii) as a *performance*, embodied through consumption and lifestyle; (iii) as a *process*, through which surplus value is extracted from labor; and (iv) as *politics*, through which the first three are consciously molded into a collective claim on the future. The intersection of gentrification and class clearly maps onto these distinctions in multiple ways at the same time, but I am particularly interested in the way that the third category—*class as process*—occurs. Here is where "value" in the urban landscape is produced, where profit is made, that same liquid currency that fuels "fifth-wave gentrification" (Aalbers, 2019) and "Neo-Haussmannization" (Merrifield, 2014), “algorithmically automated” (Wyly, 2019) into the blueprint of progress. For whilst the indebted gentrifier can be incorporated into the “middle class” in the first two meanings (as a *position* and a *performance*), if debt underpins this transformation then in the third sense (as *process*), things are much harder to pin down, and this leaves the fourth sense (as *politics*) wide open. As Di Muzio and Robbins (2016, p. 13) note, on an international scale, debt “essentially divides society into net creditors and net debtors”, with the latter underpinning the contemporary monetary system. Through housing debt, all forms of paid labor are incorporated into the urbanization of capital itself (and all forms of unpaid labor that are necessary for paid labor to occur). The seemingly endless supply of gentrifiers that enables the “generalization” of the phenomenon should be seen as the increasingly indebted mass that they are.

I do not say this to deny the very real inequalities of capital (social, cultural, and economic) that cut across society among those in debt, or between those with access to credit and those without. Nor do I want to be misconstrued as someone seeking to emphasize the “suffering” of those who seem, by most accounts, to benefit from gentrification. But “class is a role, not a label that attaches to persons” (Harvey, 2011, p. 232). In the process of gentrification as a capital accumulation strategy, all those who—through their debts—generate untold billions for the owners of the future city take on the role of *labor*, even if they play many other roles during the working day or through their politics, their consumption patterns, their future ownership of property, and so on. In this sense, I do not care if someone likes vegan iced lattes and has a “middle class” job: if their house price is underpinned by a loan from a bank then they are exploited as a producer of surplus value, whether consciously or not, even if they imagine *themselves* as owners of the future city, and even if they *do become* owners of the future city, exploiting others along the way. Such a dynamic is too simple, of course, for there are countless ways in which an individual can be paying their mortgage through the labor of others—whether as boss or landlord—which scatters the impetus to exploit downwards. In this way, the creditor/debtor relation reinforces the capital/labor relation at the macro level even whilst it obfuscates it at the social level. As Federici (2014, pp. 235–236) reminds us, "the function of debt as an instrument of labor extraction is masked [...] under the illusion of self-investment." I would only add that this masking is all the more effective when the boundary between *illusionary* investment and "real" investment is harder to pin down. If gentrification is conceived of as a "process of upward mobility that uses urban space to climb over other people" (Wyly, 2019, p. 16), then the stairway "up" (which is framed with so many gilded signposts promising prosperity, security, respectability, pride, and success) is constructed on a conveyor belt of debt. And it is the profitability of that debt, and the enduring nature of the power relationship that it relies on, that entrenches gentrification as a global urban strategy.

Debt atomizes its users, even whilst the ranks of the indebted grow (Federici, 2014). Rethinking the class relation inherent to debt as a process of value extraction may help to conceptualize this as a terrain of struggle, akin to the many anti-debt movements that emerged after the 2008 crisis. Partly what makes the *Plataforma de Afectados por la Hipoteca* so inspiring (above and beyond its concrete victories in claiming housing) is its engagement not "beyond" class boundaries but through a more fluid understanding of who is exploited through their housing debt (García-Lamarca, 2017). Importantly, the power relation at the heart of this debt works both ways. Marx (1990, p. 277) notes that the point at which we do work and the point at which we are paid for it "do not coincide in time." Because most workers are paid *after* a day's work (or an hour's, a week's, a month's, etc.), "everywhere the worker allows credit to the capitalist" (p. 278). This is Marx at his subversive best, flipping a piece of received wisdom so it recasts the moral relation at the heart of wage labor. The debt relation exacerbates this temporal disjunction on a massive scale.

The bank lends out money to “help” people find housing, but the opposite is just as true: those who borrow help the bank to create money using the guarantee of their future labor, “secured” by the collective value of the cities they inhabit, and the work that they have not yet done.

Conclusion

I started on one particular street, looking at an advert. I ended “nowhere”, in the abstract realm of class relations, dreams, and speculation. I have tried to show that the two are impossible to disassociate. Capitalism relies on our desires as well as our fears, mediated through “repetition in daily life” (Lefebvre, 1988, p. 80). Along the way, I framed the relation between debt and gentrification first as a liberation, second as a social relation and third as an extractor of value. Land values can rise faster, decoupled from social constraints; the “property mind” is instituted as a coercive common sense; and the class relation between capital and labor is reconfigured. It is not merely the houses—the places we live—that are financialized, but all the future labor-time of those who will get in debt to live in them.

This opens out the temporality of the rent gap model, bursting these neat lines. The rising line of “potential” (as an ideological, imagined, and continually reinforced idea of what space *could* and therefore *should* be for, as well as a measure of exchange value as-yet unrealized) assumes an overbearing power over whatever is now “capitalized” because it is liberated from social constraints. “Potential” no longer has to bear any rational relation to income, or the affordability of life, but this only serves to amplify its importance as a lens for considering urban land use change. To spatialize this observation, the frontier of gentrification is driven not only by the available land, the buildings on that land, and the potential *profit* to be made from both, but through the debt-potential of the population which will underscore and extend that profitability through living there, far into the future. Thus the rent-gap is no longer "closed" when gentrification occurs (if it ever was). Instead, its point of closure is dragged forth into the future. The temporality and spatiality of the model is thus altered, subtly but fundamentally. The impetus to gentrify no longer depends on the capitalized ground rent *reaching* its potential level—no longer depends, in other words, on a "moment" of profitability that is easily traceable and finite—for that potential is constantly deferred. And as Marx (1992) argued, stretching the timespan of profit realization may be hugely lucrative, but it is also hugely vulnerable.

The uneven "liberation" of potential land values from social constraints brings with it all the pernicious effects associated with generalized gentrification—a broad affordability crisis, ongoing displacement in many forms, the proliferation of precarious living conditions, the erosion of communities. It also does something far more dangerous. For several decades, critical urbanists have talked about the switching of capital into space, into real estate, and into the future (Harvey, 1982). Scholars have tirelessly documented the extent to which this involves continuous redevelopment, a restless and hyper-speculative urbanism that is constantly chasing promised returns, constantly destroying old landscapes and constructing new ones (Weber, 2002). As I have tried to show, the way debt and gentrification intersect speeds up the proliferation of this process, but it may do more than this: it may "lock in" the pursuit of those potential land values, always beholden to a loan already-borrowed and a future already-imagined, tied to the "persistent popular irrational belief" (Haila, 2017, p. 501) that house prices will keep rising. It is vital not to be fatalistic about this: debt is simultaneously powerful and fragile, and whilst it appears to undermine "old" forms of solidarity, it can engender new ones. The struggle against gentrification—imagined not merely as neighborhood change but as a "politico-economic window" into the wider machinations of capital (Hackworth, 2019)—*must* entail a struggle against debt. Moreover, as Di Muzio and Robbins (2016) note, it is imperative to see the *ecological* implications of generalized indebtedness, for it codifies economic growth as a legal obligation to the past, one which destroys our collective future. Debt not only fuels the rent gap, for it reconstitutes its never-quite-closure as a binding obligation. The urban growth machine shows no signs of stopping in the face of an overwhelming tide of evidence that it must. The "death pledge" of housing debt is socialized to all living creatures, even whilst the promised gains are individualized to (some) working humans: making rent gap theory "not true" (Clark, 2018) has never been more urgent.

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[i] As McKee, Muir and Moore (2017) point out, there is no singular UK housing policy, as the Scottish Government (alongside the legislative chambers in Wales and Northern Ireland) have devolved power in this regard. Nevertheless, at present, the reliance on debt underpinning Scottish housing policy is barely distinguishable from UK policy more broadly, closely linked over multiple generations.

[ii] In 2017, for example, Barratt Developments (the UKs largest house builder), reported that 40% of their record £835.5m annual profit was underpinned by government debt through the Help to Buy (Evans, 2018). The Scottish Government scheme, specifically targeted at lower income first time buyers, is valued at £80 million for 2019/20 alone (Scottish Government, 2020).

[iii] Incidentally, Henri Lefebvre (with Ross, 1997, p. 75) suggests that Simak's novel—a cheap paperback sci-fi vision of the far-future—was his "starting point" for discussions with the Situationists around capitalist urbanisation after automation.

[iv] The exception here would be *students*, whose growing debt in the UK is framed as investment in human capital, transforming student life through heightened commodification. This is having

a noticeable impact on the urban development of university towns and cities across the UK (Chatterton, 2010).